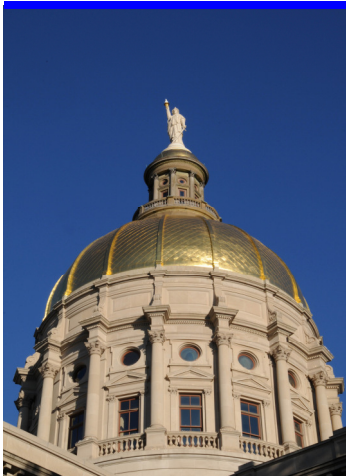


Upper Chamber Report

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TOP STORY

Legislative Day 36: Budget Stalemate broken as Senate and House agree to combine Hospital Fee with Tax Breaks



Senate Minority Leader Robert Brown and Senate Majority Leader Chip Rogers Debate HB 1055 in Senate Chamber

By Kallarin Richards

CHAMBER (April 14, 2010) – With only four legislative days remaining until the end of session, the Senate and House reached agreement on several key measures that will allow negotiations on the state budget to move forward. A bill to update hundreds of outdated state user fees was combined with a measure to fill an overwhelming gap in Georgia’s Medicaid budget, coupled with the elimination of Georgia’s retirement income and property taxes. Revisions in user fees will prevent lawmakers from having to cut an additional \$100 million from the state budget, and shoring up the state’s Medicaid gap is also crucial to balancing the budget.

At the beginning of the day, the Senate voted 44-9 to pass the original version of House Bill 1055 that establishes a consistent basis for the state to set and revise user fees, some of which have not been updated since the 1960’s. Later that afternoon, the bill’s Senate sponsor Sen. Greg Goggans (R-Douglas) announced that the Senate would vote on a revised version of the bill sent over from the House, which combined the hospital fee and the tax eliminations into one bill. Goggans noted that the new bill provides solutions for the 9.5 million Georgians who are hurting as the state “faces one of the worst economic tsunamis we’ve ever experienced.”

Majority Leader Chip Rogers (R-Woodstock) took the Senate Floor to share what he believes are the bill’s three biggest accomplishments. First, he said that Georgia taxpayers will no longer have to subsidize the services of others. The bill will also prevent the state from having to close around 30 hospitals, and finally, that Georgia will completely eliminate two separate taxes. Sen. Hardie Davis (D-Gracewood) raised concerns that the bill conflicts with a previous measure to reform Georgia’s property tax system. Rogers assured him that eliminating the ad valorem tax has no effect on property tax assessments, which his Senate Bill 346 seeks to reform.

Sen. Steve Henson (D-Tucker) questioned the lack of an official fiscal note

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accompanying the bill. Rogers responded that he in fact received a fiscal note from the Georgia State Fiscal Research Center, which the lieutenant governor deemed to be appropriate. Henson later addressed the full chamber regarding his concerns that the process by which the final bill arrived to the Senate for a vote had shut out Democrats from being involved. He noted that it is “an unfair and improper disservice to our constituents when bills are changed at the last minute and when [Democrats] were not included in the process as much as they should have been.”

He went on to warn that lawmakers have no real knowledge of where the state will be financially down the road, and that passing a bill with tax cuts for political reasons could have tremendous implications on how the state will provide health care services to its citizens.

Sen. Vincent Fort (D-Atlanta) raised further questions as to political motivations behind the bill. He called passage of the bill an “exercise in hypocrisy,” as in the past Republicans have done nothing to help Grady Hospital or to deliver health care to low income citizens, but are only now passing such a measure because it is politically convenient. “Even Ray Charles could see through that,” said Fort.

Majority Leader Robert Brown (D-Macon) also delivered an impassioned speech saying that despite the bill’s supporters railing against health care reform in Washington, they want to pass this bill in order to draw down federal money from the health care reform bill by taking sick people in Georgia.

After debate concluded, the bill passed with a 39-12 vote and now goes to the governor for his approval.

Another bill stirred up further discussion over federal health care reform. HB 1179 requires Georgia hospitals to offer influenza vaccine annually to its health care workers who come in direct contact with patients. Sen. Johnny Grant (R-Milledgeville) said the public health measure will significantly reduce the spread of illnesses. Sen. John Douglas (R-Social Circle) questioned why they are trying to pass a bill that mandates hospitals to give a product away for free when they’re telling the federal government to stay out of health care. Douglas noted that the legislature needs to set an example, and that a conservative principle is at stake. The bill eventually passed by 38-10.

Despite political differences, the Senate came together that morning to honor one of its own, Sen. Don Thomas (R-Dalton), who is retiring from the legislature at the end of session. Thomas was given the honor of serving as the chamber’s pastor of the day, and delivered an inspiring message of what we can learn from the Bible, and that it contains “an answer for every problem we ever have.” Upon retiring from his 14-year career in the Senate, Thomas will continue working in his medical practice and spend time with his wife of 55 years, Emma Jean. Sen. Bill Hamrick (R-Carrollton) introduced Thomas, noting that “he will be succeeded in our chamber, but he can never be replaced.”



Sen. Bill Hamrick and LT. Gov. Casey Cagle pose for pastor of the day photo with Sen. Don Thomas.

The Senate and House have agreed to a schedule that places the legislature’s final day, known commonly as “Sine Die,” on Thursday, April 29.

□

Senate Passes GA Taxpayer Relief Act

By Raegan Weber

ATLANTA (April 14, 2010) – On the eve of national tax day, the Georgia General Assembly has passed major tax relief, HB 1055 called by some the “Georgia Taxpayer Relief Act of 2010”. The measure eliminates retirement income tax on Georgia seniors and eliminates the state property tax. Senate Majority Leader Chip Rogers (R-Woodstock) lead the efforts in the Senate to help add the tax elimination measures to HB 1055.

“This was a great day for Georgia as the General Assembly has moved to completely eliminate two separate taxes. The elimination of the state property tax is a true tax cut for every Georgian who owns property or a vehicle. We coupled this with the elimination of retirement income tax on Georgia senior citizens,” said Rogers. “Georgians need a financial break during these tough economic times. The General Assembly delivered real relief today by actually eliminating two forms of taxation. It was a good day for Georgia.”



The Act eliminates by phase-out the taxes on senior retirement income and the state property tax. Once fully enacted the tax cut is expected to be more than \$250 Million per year.

Another major component of the act reduces taxpayer subsidizing services for others by adjusting outdated and antiquated state fees and fines. When a fee does not cover the cost of the service provided, *Georgia taxpayers subsidize* the activities of specific individuals or businesses by paying the remaining cost. By addressing this issue now, users will rightfully pay the bulk of the cost of services provided.

Finally, at the request of every hospital in Georgia the Act creates a 1.45 percent hospital fee to fund the state Indigent Care Trust Fund. This funding formula is phased-out in three years. All funds raised from hospitals will go straight into the Indigent Care Trust Fund, which will be used to provide medical care for Georgia’s children and the poor. No revenue from the hospital fee will go into the state General Fund. The requested fee fund is expected to prevent major cuts to Medicaid funding and help keep open at least thirty Georgia hospitals that were rumored to close without additional funding.

Overall, the Georgia Taxpayer Relief Act of 2010 will provide relief for almost every taxpayer in Georgia while making significant progress in alleviating the state budget crisis. □

Sen. Jones Champions C-TRAN Bill through Senate Committee

By Kallarin Richards

ATLANTA (April 15, 2010) – C-TRAN riders won a victory when a bill to fund Clayton County’s public transportation system passed out of a key Senate committee. Sen. Emanuel Jones (D-Decatur) urged members of the Senate Finance Committee to pass House Bill 1393 to give voters in Clayton County the ability to resurrect C-TRAN service.

“Once the funding ended for C-TRAN and the buses stopped running, 2.5 million riders were left stranded without a way to get to work, school, their doctor, or even to buy groceries,” said Jones. “After being stripped of a necessary public service, this bill puts the power back in the hands of Clayton citizens to decide how to fund a transportation system that truly belongs to them.”

HB 1393 raises the cap that counties can levy on sales taxes to allow Clayton County citizens to vote on an additional 1 percent sales tax to fund public transportation. The bill also extends the exemption from motor fuel taxes for public transit systems for another two years.

C-TRAN service ended on March 31 after Clayton County commissioners voted to shutter the system due to a lack of funding. Since C-TRAN’s end, three Xpress buses have been running through the county, but are not enough to serve the hundreds of riders who depended on C-TRAN every day. There are 400 riders alone who depend on C-TRAN’s paratransit buses to get to their doctor, many of whom are dialysis patients and need treatment every day.

Jones is shepherding the bill through the Senate, which has been authored by Rep. Roberta Abdul-Salaam (D-Riverdale) in the House of Representatives. As chairman of the Georgia Legislative Black Caucus, Jones has been a champion for C-TRAN riders and has been working to find alternative funding solutions. □

Senate Finance Committee works through Long List of Bills

By Kallarin Richards

CLOB 307 (April 14, 2010) – Passing a total of 14 House bills, the Senate Finance Committee began by approving legislation to allow Clayton County voters to resurrect funding for a vital public transportation system. House Bill 1393 raises the sales tax cap and will allow Clayton voters to decide on an additional 1 percent sales tax to fund public transportation. The bill also extends the exemption from motor fuel taxes for public transit systems for another two years. Sen.



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Emanuel Jones (D-Decatur) noted that the C-TRAN public bus service ended on March 31 after county commissioners decided to shutter the system, leaving hundreds of riders stranded.

Rep. Terry England (R-Auburn) then presented a bill that changes the definition of sales prices to exempt ad valorem taxes paid on rental equipment. A late arriving amendment from Rep. Ron Stephens (R-Savannah) was tacked on to HB 347, which would have allowed counties to invest up to a penny sales tax to finance economic development projects. The committee raised concerns that such a significant change was being sprung on members, and voted unanimously to pass the original bill without the amendment.

A bill to require outside residents who make money in Georgia to pay Georgia income taxes was met with serious debate from committee members. Sen. John Wiles (R-Marietta) asked if a major league baseball player were to play one game in Georgia, if he would be required to file a Georgia income tax return. Author Rep. Culver Kidd (R-Milledgeville) said that most ball players have provisions in their contracts that would prevent them having to do so, but did use the example of Tiger Woods winning the Masters in Augusta, saying under this bill he would be required to pay income tax on those winnings. Sen. Tommie Williams (R-Lyons) questioned whether this would discourage sporting and other types of events from coming to Georgia. Members unanimously voted to table the bill to allow for further study of the measure.

Sen. Don Balfour (R-Snellville) presented a bill to streamline sales taxes, bringing Georgia in line with 23 other states who participate in the Streamlined Sales Tax Agreement. Balfour was quick to note that HB 1221 does not create any new taxes, but rather is a voluntary program and the first significant step to creating a level playing field for companies in Georgia and outside the state. Wiles presented an amendment that extends an exemption from sales taxes to companies that purchase items for the U.S. government. The exemption is already in Georgia code, and his amendment simply extends it until 2013. Balfour raised concerns that passing the amendment could hurt the bill, but Sen. Chip Rogers (R-Woodstock) spoke in favor of the amendment and how it will benefit Lockheed Martin, a Marietta-based global security and information technology company whose majority of business is with the U.S. Department of Defense and U.S. federal government agencies, which Rogers noted has been a valuable corporate partner. The committee voted unanimously to pass the bill with the amendment.

The committee also passed the following bills unanimously:

- HB 1060 allows the Georgia Ports Authority to back their own bonds, rather than receiving loans.
 - HB 1012 includes parents, stepparents and siblings as eligible family members to receive a Gold Star license plate, commemorating a family member killed in action.
 - HB 1041 authorizes the Department of Revenue commissioner to approve a tax digest for 2010 for a county where appeals have been filed or arbitrations demanded.
 - HB 1069 authorizes an income tax credit for installation of energy and/or water efficient equipment.
 - HB 1093 requires cities and counties to provide information on business licenses to the Department of Revenue to allow the department to better collect sales taxes.
 - HB 1105 extends the watercraft inventory tax.
 - HB 1186 exempts property from ad valorem taxes that qualifies as a public-private transportation project.
 - HB 1272 authorizes a voluntary contribution to the Lupus and Kidney Disease Research Program Fund.
 - HB 1321 authorizes certain counties with enhanced 911 services to use remaining funds to apply to system upgrades.
- HB 483 cleans up language relating to the Department of Revenue.

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Legislative Process Dates

Important Dates in the Legislative Process

Introduction - Last day to file and/or 1st Read in Senate.

30th day - last day to introduce General Senate bills and resolutions (even year). [Rule 3-1.2 (b)]

30th day - last day to accept General House bills and resolutions. [Rule 3-1.2 (b)]

39th day - last day to introduce General Senate bills and resolutions (odd year). [Rule 3-1.2 (b)]

**Note: Senate bills and resolutions must be filed with the Secretary before 4:00 p.m. to be 1st read on the next legislative day.*

Deadlines for passage in current year

Committee Report Deadlines - Last day to read report. Report submitted to Secretary by convening.

28th day - General Senate bills and resolutions.

38th day - Local Senate bills and resolutions.

38th day - General House bills and resolutions.

40th day - Local House bills and resolutions.

Calendar Management

Calendar in numerical order after 2nd reading of legislation; days 1-5. [Rule 4-2.10 (a)]

Rules Committee sets the calendar for days 6 - 40. [Rule 4-2.10 (b)]

General Senate Bills and Resolutions

26th day - File with Secretary of the Senate. [Rule 3-1.2 (a)]

27th day - 1st Reading and referral to committee. [Rule 3-1.2 (b)]

28th day - Committee report read upon convening. (A recommitted bill already 2nd read - report day 29.)

29th day - 2nd Reading. [Rule 4-2.6]

30th day - Passage [Rule 4-2.10 (a)] and immediate transmittal to House. [Rule 4-2.14]

Local Senate Bills and Resolutions

35th day - File with Secretary of the Senate. [3-1.2 (a)]

36th day - 1st Reading and referral to committee. (Cannot pass for 2 days.) [Rule 4-2.4 (c)]

38th day - Favorable report by committee, passage and immediate transmittal to the House. [Rule 4-2.14]

39th day - 2nd Reading in House.

40th day - Favorable report and passage in House.

General House Bills and Resolutions

30th day - Transmitted from House and received by Secretary.

31st day - 1st Reading and referral to committee. [Rule 3-1.2 (b)]

38th day - Favorable report upon convening and 2nd reading. (Applies to days 36 - 38) [Rule 4-2.6]

39th day - Passage. [Rule 4-2.10 (a)]

40th day - Passage of bills or resolutions tabled day 39; removed from the table on day 40. [Rule 4-2.10 (a)]

Local House Bills and Resolutions

39th day - 1st Reading and referral to committee.

40th day - Favorable report by committee and passage.

** Note: On the 30th day and on the last three days of session, bills and resolutions needing action from the House are automatically immediately transmitted. [Rule 4-2.14]*

40th day - Passage of bills or resolutions tabled day 39; removed from the table on day 40. [Rule 4-2.10 (a)]